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State Dept. review completed

USDOC FOR ITA/IEP - MR. BATEMAN

E.O. 12065: GDS 7/27/82 (STEBBING, DAVID H.) OR-E
TAGS: OREP, EINV, EFIN, MASS, GT
SUBJECT: VISIT TO GUATEMALA OF CONGRESSMAN CHARLES WILSON OF TEXAS

1. C - ENTIRE TEXT.

2. SUMMARY: IN UNOFFICIAL VISIT TO GUATEMALA JULY 23-26 AT GOG INVITATION, REPRESENTATIVE CHARLES WILSON (D-TEXAS) HELD CONSTRUCTIVE EXCHANGE OF VIEWS WITH PRESIDENT RIOS MONTT THE MINISTER OF AGRICULTURE AND THE ECONOMIC CABINET AND TOURED CONFLICT ZONE BY HELICOPTER. HE ARRANGED FOR ACCOMPANYING BUSINESSMEN TO MAKE ORAL PRESENTATION OF PROPOSAL CONCERNING HARD MINERALS TO ECONOMIC CABINET. PRESIDENT RISO MONTT'S HEARTFELT PLEA FOR UNDERSTANDING REALITY IN GUATEMALA LEFT THE CONGRESSMAN SOMEWHAT PERPLEXED AFTER HALF-HOUR MEETING JULY 23. SESSION WITH ECONOMIC CABINET JULY 26 CULMINATED IN CONGRESSMAN'S WILLINGNESS TO HELP SET UP MEETINGS WITH TEXAS BUSINESSMEN, STARTING WITH OILMEN, TO PUBLICIZE INVESTMENT OPPORTUNITIES IN GUATEMALA. WE BELIEVE REP. WILSON LEFT GUATEMALA STRENGHENED IN HIS CONVICTION THAT THE HUMAN RIGHTS SITUATION HAS IMPROVED AND THAT THE U.S. SHOULD NOW MOVE TO IMPROVE RELATIONS. IN PARTICULAR, HE TOLD HIS HOSTS THAT HE WOULD WORK HARD FOR PASSAGE OF THE CBI LEGISLATION BEFORE THE AUGUST RECESS, REMOVAL OF THE BAN ON SALES OF HELICOPTER SPARE PARTS, A "REASONABLE" LEVEL OF MILITARY TRAINING AND ASSISTANCE, ADN IMPROVED COMMUNICATION WITH THE U.S. PRIVATE SECTOR. HE AND HIS COMPANIONS WERE FAVORABLY IMPRESSED BY THE ABSENCE OF SIGNS OF VIOLENCE IN GUATEMALA CITY AND ANTIGUA, AS WELL AS BY CONVERSATIONS WITH TROOP COMMANDERS IN EL QUICHE, IN THE PRIMARY CONFLICT ZONE. CONGRESSMAN WILSON TOOK QUESTIONS FROM NEWSMEN AFTER HIS MEETINGS WITH THE PRESIDENT AND THE

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ECONOMIC CABINET; HIS VISIT RECEIVED STRAIGHT-FORWARD COVERAGE AS A POSITIVE DEVELOPMENT IN BILATERAL RELATIONS. THE CONGRESSMAN PORTRAYED HIMSELF AS THE ONE MEMBER OF THE FOEIGN OPERATIONS SUBCOMMITTEE OF THE HOUSE APPROPRIATIONS COMMITTEE WHO IS FAVORABLY DISPOSED IN GENERAL TO BOTH ECONOMIC AND MILITARY ASSISTANCE ABROAD. REQUEST INFORMATION ON CURRENT OPIC POLICY REGARDING INVESTMENT PROJECTS IN PETROLEUM AND HARD MINERALS. END SUMMARY.

3. DURING UNOFFICIAL VISITI TO GUATEMALA JULY 23-26 AT GOG INVITATION, REP. CHARLES WILSON (D-TEXAS) AND TWO PRIVATE BUSINESSMAN MET WITH PRESIDENT RIOS MONTT, MIN AS SANDOVAL, ADN THE ECONOMIC CABINET (MATHEU OF ECONOMY, FIGUEROA OF FINANCE, GONZALEZ DEL VALLE OF CENTRAL BANK, AND CONTRERAS OF HYDROCARBONS). THEY TOURED THE CONFLICT ZONE BY MILITARY HELICOPTER AND SPENT A DAY SIGHTSEEING IN ANTIGUA, THE COLONIAL CAPITAL. ONE PURPOSE OF THE TRIP WAS TO ESTABLISH CONTACT WITH GOG FOR THE BUSINESS VISITORS.

4. CONG. WILSON LEFT THE JULY 23 MEETING WITH PRESIDENT RISO MONTT SOMEWHAT PERPLEXED BY THE SINGLEMINDEDNESS AND CONTRASTS THAT COEXIST IN RIOS' PERSONALITY. RIOS APPEARED TO UNDERSTAND PERFECTLY CONG. WILSON'S POINTS ON THE NECESSITY OF CONTINUING TO STRENGTEN ITS RECORD ON HUMAN RIGHTS AND THE SIGNIFICANCE OF THE UNANIMOUS HFAC VOTE ON 11 MILLION ESF FUNDS FOR GUATEMALA. RIOS' THEME FOR THE DAY, HOWEVER, WAS A PLEA FOR THE U.S. TO UNDERSTAND GUATEMALA IN THE LIGHT OF THE LATTER'S CULTURE AND VALUES. TO WILSON'S REPEATED QUESTIONING ALONG THE LINES OF WHAT SPECIFICALLY IS RIGHT OR WRONG ABOUT U.S. POLICY, RIOS MONTT RETURNED CONSTANTLY TO THE CONCEPT THAT GUATEMALA IS AN ABORIGINAL COUNTRY STEEPED IN 2000 YEARS OF POVERTY, IGNORANCE, AND DISEASE, WHOSE POLITICAL SYSTEM THEREFORE, CANNOT POSSIBLY PARALLEL THE U.S. OR EUROPE (WESTERN OR EASTERN). HE POINTED OUT THAT HIS OWN POSITION AS PRESIDENT WAS MERELY DE FACTO, AND THAT HE WAS NOT ELECTED TO HIS CURRENT OFFICE. HUNGER WAS THE BASIS FOR THE INSURGENCY, RIOS SAID (WILSON ADDED CUBA); THE PEOPLE MUST BE CONVINCED THE GOVERNMENT CARES FOR THEM; GET THE MINORITY OFF THE BACKS OF THE MAJORITY; MEASURE GUATEMALAN DEVELOPMENT IN TERMS OF SOCIAL INTEGRATION, NOT CEMENT PRODUCTION RISO NOTED THAT WAR WAS ILLEGAL AND PREVENTED THE RULE OF LAW; BUT IN VIEW OF THE NEED TO MEET FORCE WITH FORCE, HE ASKED FOR MILITARY TRAINING WITHIN THE WESTERN SYSTEM OF THOUGHT. ON EL SALVADOR, HE THOUGHT U.S. POLICY WRONG AND DUARTE RIGHT, BECAUSE THE CURRENT GOES HAS BEEN BROUGHT TO A POLITICAL BASE, MILITARY AND BUSINESS, THAT IS TOO NARROW; DUARTE'S GOVERNMENT ENCOMPASSED MORE SOCIAL GROUPS.

5. MEETING WITH MINAG LEOPOLDO SANDOVAL JULY 23 WAS CONFINED TO EXCHANGE OF PLEASANTRIES ON THE COOPERATIVE MOVEMENT, SUPPORT FOR THE PEACE CORPS, THE MEDFLY PROGRAM, AND APPROPRIATE TECHNOLOGY. IN RESPONSE TO THE CONGRESSMAN'S 64-DOLLAR QUESTION ABOUT FOREIGN CREDIT NEEDS OF

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AGRICULTURE, THE MINISTER DWELT ON REFORESTATION. COMMENT: CONCEIVABLY THE MINISTER HAS BEEN ASKED TO WATCH HIS TONGUE WHILE NEW ON THE JOB, AFTER HE CREATED A FLAP LAST WEEK BY PUBLICLY SUPPORTING AGRARIAN REFORM; "AGRARIAN REFORM" IS A CATCHWORD FOR SALVADORANIZATION OF COMMERCIAL AGRICULTURE). END COMMENT.

6. THE HELICOPTER TRIP TO THE COMBAT ZONE IN EL QUICHE DEPARTMENT JULY 24 WAS UNEVENTFUL IN TERMS OF INCIDENTS OF VIOLENCE. THE GROUP PUT DOWN IN STA. CRUZ DEL QUICHE AND JOYABAJ, WHERE REP. WILSON MET WITH LOCAL TROOP COMMANDERS. THE CONGRESSMAN SAID HE WAS VERY FAVORABLY IMPRESSED BY A LECTURE ON "WINNING HEARTS AND MINDS" FROM THE COLONEL COMMANDING THE STA. CRUZ GARRISON, AS WELL AS BY THE APPARENT SKILL LEVEL OF THE GUATEMALAN ARMY. REP. WILSON TOLD EMBOFFS AFTERWARD THAT HELPING GUATEMALA PROCURE HELICOPTERS AND COMMUNICATIONS EQUIPMENT IS A TOP PRIORITY.

7. THE MEETING WITH THE RECENTLY-FORMALIZED ECONOMIC CABINET JULY 26 GOT INTO A CONCRETE EXCHANGE ON WAYS TO IMPROVE RELATIONS. REP. WILSON AND HYDROCARBONS SECRETARY CONTRERAS WERE IN AGREEMENT ON THE NEED TO IMPROVE THE PETROLEUM LAW, PARTICULARLY TO ATTRACT MEDIUM AND SMALL EXPLORATION COMPANIES. CONTRERAS SUGGESTED THAT USG GUARANTEES COVERING OIL EXPLORATION WOULD BENEFIT BOTH COUNTRIES, TO WHICH ECONOMY MINISTER MATHEU ADDED THAT HE HAS HAD VERY POSITIVE MEETINGS WITH OPIC IN RECENT MONTHS. ON THE FINANCIAL SIDE, CENTRAL BANK PRESIDENT GONZALEZ DEL VALLE SAID THAT HE IS EXTREMELY PLEASED WITH PROGRESS WITH THE IDB AND WORLD BANK, WHICH ARE WORKING ON "CRASH PROGRAMS" TO DOUBLE AND TRIPLE (RESPECTIVELY) LENDING TO GUATEMALA.

8. ECON MIN MATHEU THEN GOT TO THE MITTY-GRITTY WITH AN INQUIRY ON HOW TO IMPROVE COMMUNICATION WITH GUATEMALA'S FRIENDS IN THE U.S. REP. WILSON SUGGESTED HIRING CAREFULLY-CHOSEN PROFESSIONAL REPRESENTATION IN WASHINGTON AND INCREASING ECONOMIC TIES, E.G. ATTRACTING OIL INVESTMENT FROM SEVERAL STATES. TO MATHEU'S FOLLOW-UP QUESTION ON BEST USE OF TWIN CHAMBERS OF COMMERCE (THE CHAMBERS OF COMMERCE OF HOUSTON AND SAN ANTONIO, POSSIBLY TO BE JOINED BY DALLAS-FORT WORTH, RECENTLY ESTABLISHED A "TWIN CHAMBER "LINKAGE TO FURTHER CONTACTS BETWEEN THE RESPECTIVE BUSINESS SECTORS (SEE GUTEMALA 3138), REP. WILSON ADVISED FOCUSED MEETINGS WITH PARTICULAR INDUSTRIES FROM TEXAS, BEGINNING WITH PETROLEUM. IT WAS SUGGESTED THAT PROFESSIONALS WORKING WITH THE OIL INDUSTRY, SUCH AS GEOLOGISTS, BE INCLUDED. HYDROCARBONS SEC. CONTRERAS SUGGESTED SEPTEMBER, AFTER COMPLETION OF THE NEW PETROLEUM LAW. REP. WILSON THEN ASKED THE GOG OFFICIALS, WITH EMBASSY ASSISTANCE, TO DRAW UP A PRIORITY LIST OF SECTORS WITH WHOM GUATEMALA (PUBLIC AND PRIVATE SECTORS) WOULD LIKE TO MEET TO PUBLICIZE INVESTMENT OPPORTUNITIES, AND INDICATED HIS WILLINGNESS TO ASSIST WITH ARRANGEMENTS.

9. AFTER REP. WILSON AND EMBOFFS HAD DEPARTED MEETING WITH ECONOMIC CABINET, BUSINESSMEN

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ACCOMPANYING CODEL MADE ORAL PRESENTATION OF PROPOSAL TO EXPLORE FOR HARD MINERALS IN GUATEMALA. ALTHOUGH PROPOSAL MAY BE A LONG TIME GESTATING, GOG OFFICIALS APPEARED APPRECIATIVE OF REP. WILSON'S ROLE IN BRINGING POTENTIAL INVESTORS TO GUATEMALA.

10. IN TWO IMPROMPTU MEETINGS WITH THE PRESS, REP. WILSON STATED PURPOSE OF TRIP WAS TO GET TO KNOW NEEDS OF GUATEMALA FIRST HAND AS WELL AS TO LOOK INTO WAYS OF IMPROVING ECONOMIC COOPERATION, PARTICULARLY REGARDING PETROLEUM. HE COMMENTED THAT THE HUMAN RIGHTS SITUATION HAD IMPROVED AND THE U.S. PERCEPTION OF GUATEMALA RECOGNIZED THAT FACT. HE JUDGED THE POSSIBILITY OF MILITARY SALES AS VERY GOOD. PRESS STORIES JULY 27 WERE STRAIGHTFORWARD, WITH ONE LEADING DAILY HEADLINGING THE PETROLEUM CONNECTION, AND THE OTHER THE IMPROVED RELATIONS.

11. COMMENT: THE CONGRESSMAN AND HIS HOSTS MADE GOOD IMPRESSIONS ON EACH OTHER. REP. WILSON ADN HIS PARTY SAW FOR THEMSELVES THAT, AT LEAST IN THE CAPITAL AND ANTIGUA (25 MILES AWAY), BUSINESSMEN ARE SECURITY CONSCIOUS BUT ABLE TO CARRY ON NORMALLY. THE CONGRESSMAN UNDERTOOK A NUMBER OF COMMITMENTS WITH GOG OFFICIALS, I.E. TO WORK ON PASSAGE OF THE CBI, TO REMOVE BARRIERS TO MILITARY TRAINING AND SALES, AND TO HELP STRENGHEN GUATEMALAN TIES AND FRIENDSHIPS IN THE U.S. REP. WILSON PROTRAYED HIMSELF AS THE ONE MEMBER OF THE FOREIGN OPERATIONS SUBCOMMITTEE OF THE HOUSE APPROPRIATIONS COMMITTEE WHO IS FAVORABLY DISPOSED IN GENRAL BOTH TO ECONOMIC AND MILITARY ASSISTANCE ABROAD, AND THEREFORE A KEY FIGURE IN THE LEGISLATIVE PROCESS. END COMMENT.

12. ACTION REQUEST FOR EB/IFD/OIA AND OPIC: EMBASSY WOULD APPRECIATE MATERIALS ON OPIC'S CURRENT WORLWIDE POLICIES REGARDING INVESTMENTS IN PETROLEUM ADN HARD MINERALS, SUCH AS BROCHURES, BRIEFING MATERIALS, OR OPIC BOARD OF DIRECTORS RESOLUTION. END ACTION REQUEST. TAYLOR

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